

EXHIBIT 7

REDACTED

Page 1

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION

THE STATE OF TEXAS, et)
al.,)
) Case No.
Plaintiffs,) 4:20-cv-00957-SDJ
)
vs.) Hon. Sean D. Jordan
)
GOOGLE LLC,)
)
Defendant.)

FRIDAY, APRIL 26, 2024

HIGHLY CONFIDENTIAL - PURSUANT TO PROTECTIVE
ORDER

- - -

Remote videotaped deposition of
Google LLC 30(b)(6) designee [REDACTED] and
in his 30(b)(1) capacity, held at the
location of the witness in Niwot, Colorado,
commencing at 9:01 a.m. Mountain Time, on the
above date, before Carrie A. Campbell,
Registered Diplomat Reporter, Certified
Realtime Reporter, Illinois, California &
Texas Certified Shorthand Reporter, Missouri,
Kansas, Louisiana & New Jersey Certified
Court Reporter.

- - -

Job No. MDLG6661075

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6
7 ALSO PRESENT:

8 JONATHAN JAFFE, consultant

9 [REDACTED], Litigation and
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10 VINCE ROSICA, trial technician,
11 Precision Trial Solutions

12
13 V I D E O G R A P H E R :

ZACH HONE,

14 Golkow Litigation Services

15 - - -

1 VIDEOGRAPHER: We are now on
2 the record. My name is Zach Hone.
3 I'm a videographer for Golkow.

4 Today's date is April 26, 2024,
5 and the time is 9:01 a.m.

6 This remote video deposition is
7 being held in the matter of State of
8 Texas, et al. versus Google LLC.

9 The deponent is [REDACTED].

10 All parties to this deposition
11 are appearing remotely and have agreed
12 to the witness being sworn in
13 remotely.

14 Due to the nature of remote
15 reporting, please pause briefly before
16 speaking to ensure all parties are
17 heard completely.

18 Counsels' appearances will be
19 noted on the stenographic record.

20 The court reporter will now
21 swear in the witness.

22
23 [REDACTED],
24 of lawful age, having been first duly sworn
25 to tell the truth, the whole truth and

1 nothing but the truth, deposes and says on
2 behalf of the Plaintiffs, as follows:

3
4 MR. ROBINSON: Okay. I just
5 want to briefly put on the record,
6 this is Miles Robinson of Norton Rose
7 Fulbright representing the plaintiff
8 states.

9 Also joined by Isabela
10 Pena-Gonzalez, also with Norton Rose
11 Fulbright, and then also Jonathan
12 Jaffe with the plaintiff states.

13 Good morning, [REDACTED] --

14 MR. JUSTUS: Sorry, I'm -- so
15 you have Bradley Justus from Axinn for
16 Google and the witness. I have my
17 colleague, Darpan Singh, as well as
18 in-house counsel for Google, Steve
19 Sparling.

20
21 DIRECT EXAMINATION

22 QUESTIONS BY MR. ROBINSON:

23 Q. All right, [REDACTED] Good
24 morning.

25 A. Good morning.

1 about, to think about the best way to -- the
2 best way to structure our business.

3 Q. Were you ever in favor of
4 making Google's ad-buying tools free?

5 A. Ad-buying tools? No. I don't
6 have anything to do with the ad-buying side.

7 Q. My apologies. Google's
8 ad-selling tools, making those free?

9 A. I don't recall myself ever
10 suggesting making them free. I think that at
11 one point I said that maybe it should be a
12 third party as one proposal, but I don't
13 think I ever remember saying that it would be
14 free because I don't know how you'd support
15 it without that.

16 Q. What do you mean "a third
17 party"?

18 A. When we were building exchange
19 bidding, we weren't sure if other exchanges
20 would want to bid into exchange bidding. And
21 so if they weren't willing to, they didn't
22 like it, then one possibility could have been
23 that exchange bidding could have been
24 something that was offered by the industry.

25 But it never really made sense,

1 because ultimately we were just running the
2 exchange bidding auction on behalf of the
3 publisher. It's a first-price auction, very
4 simple.

5 And in the end, partners
6 actually really liked using it and publishers
7 did, too. But at one point we weren't sure
8 if they would.

9 Q. But in 2016, Google was
10 operating a second-price auction.

11 Right?

12 A. Well, in 2016, I don't know if
13 exchange bidding had sold -- had gone to
14 market yet. I think it had. I think that we
15 were talking about exchange bidding next
16 here, so I'm not quite sure on the dates.

17 But if exchange bidding had
18 gone to market, it was a first-price auction.
19 AdX was the second-price auction that bid
20 into it. Some of the other auctions that bid
21 into it were second price, and I think some
22 were first price. But those all changed at
23 various times, and so I'm not sure where
24 everybody was at this point.

25 Q. And just to make it clear for

1 the jury, what is the difference between a
2 first-price auction and a second-price
3 auction?

4 A. In the broadest strokes, a
5 second-price auction is an auction where the
6 bidder bids and their bid is compared against
7 other bids.

8 If there's another bid that is
9 higher than the floor price that the
10 publisher -- or through publisher
11 optimizations have set, then the winner is
12 the highest bid, assuming -- assuming there's
13 no safety issues or other things like that,
14 it's the highest bid. And they pay the
15 second highest bid.

16 If there is no second highest
17 bid higher than the floor price, then they
18 pay the floor price.

19 And both of those, when I say
20 that pay it, they pay that price plus a
21 penny.

22 And I'm sorry, you asked me
23 about a first-price auction.

24 A first-price auction, again,
25 floor prices come into play here, too. But

1 if there is a bid that's higher than the
2 floor price, and again there's no restriction
3 because of safety or other reasons like that,
4 then the highest bid wins, and they play --
5 pay their bid. At least in -- at least how
6 we defined first price and second price for
7 these products.

8 Q. Do you see right -- going back
9 to this -- meeting notes, do you see that
10 right under this "[REDACTED]" and -- there's no
11 last name listed here, but I see someone
12 named [REDACTED] is near the top of the
13 e-mail chain.

14 Could this be [REDACTED]
15 that's making this comment?

16 A. It could be.

17 Q. And do you know who -- right
18 underneath that it says "[REDACTED]"

19 Do you know who [REDACTED] is? Or who
20 [REDACTED] could be?

21 A. It's probably [REDACTED]. He
22 was a product manager.

23 Q. And do you see that right
24 underneath [REDACTED] comment about "Why is
25 making sell-side free not best option?" [REDACTED]

1 A. Okay. You're asking -- your
2 question is when could it make less money?

3 Q. Or in general, when could it --
4 when could DRS actually hurt websites and
5 publishers?

6 MR. JUSTUS: Objection. Form.

7 THE WITNESS: I can't think --
8 it's just too detailed. I can't think
9 of it right now. I'm sorry. It's
10 very a complicated space.

11 QUESTIONS BY MR. ROBINSON:

12 Q. But you're not trying to hide
13 from me how DRS works, though.

14 Right?

15 MR. JUSTUS: Objection. Form.

16 THE WITNESS: No.

17 QUESTIONS BY MR. ROBINSON:

18 Q. Google made more money through
19 DRS, the implementation of DRS, though.

20 Right?

21 A. As I recall, both publishers
22 and Google and probably advertisers, although
23 we don't have any visibility into that, all
24 made more money because of the match rate
25 being higher, yes.

1 Q. But a higher match rate isn't
2 always better, because a lower match rate
3 might push advertisers to other third-party
4 auctions that might be even better, though.

5 Right?

6 A. So advertisers are supposed to
7 bid their value. And so if their value -- or
8 at least that's our understanding of it, that
9 buyers bid their value in a second-price
10 auction.

11 So if it was matching at the
12 value that they were willing to pay, then
13 that's good for advertisers.

14 Your question is, if the
15 advertiser didn't win and then they went to
16 another auction, they can't go to another
17 auction for this one, I think, at this point
18 because -- like this impression would be over
19 at this point. At least as far as I can
20 think of.

21 So it's possible their
22 advertising budget could have gone someplace
23 else. Possible that they might have made
24 more money. It's very hard to say.

25 Q. So in the end, despite -- we've

1 now looked at a couple of documents about how
2 no one wanted to expose how DRS works, being
3 nervous about how DRS works, and your
4 testimony is that that's just because DRS was
5 complicated.

6 Right?

7 MR. JUSTUS: Objection.

8 THE WITNESS: That's my belief,
9 yes, is -- and we increased match
10 rate. We know that we made more money
11 for publishers, and that's all we can
12 know.

13 MR. ROBINSON: Okay. We can
14 take a break.

15 THE WITNESS: Great. Thank
16 you.

17 VIDEOGRAPHER: Off record.
18 Time is 4:08.

19 (Off the record at 4:08 p.m.)

20 VIDEOGRAPHER: Back on record.
21 Time is 4:20.

22 QUESTIONS BY MR. ROBINSON:

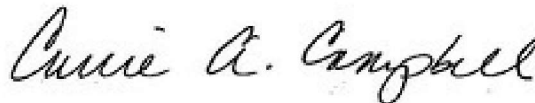
23 Q. So, [REDACTED], we've looked at
24 a couple of documents where there was vague
25 discussions about levels of transparency.

CERTIFICATE

I, CARRIE A. CAMPBELL, Registered Diplomat Reporter, Certified Realtime Reporter and Certified Shorthand Reporter, do hereby certify that prior to the commencement of the examination, [REDACTED], was duly sworn by me to testify to the truth, the whole truth and nothing but the truth.

I DO FURTHER CERTIFY that the foregoing is a verbatim transcript of the testimony as taken stenographically by and before me at the time, place and on the date hereinbefore set forth, to the best of my ability.

I DO FURTHER CERTIFY that I am neither a relative nor employee nor attorney nor counsel of any of the parties to this action, and that I am neither a relative nor employee of such attorney or counsel, and that I am not financially interested in the action.



CARRIE A. CAMPBELL,
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Dated: April 29, 2024